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U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

JUL 13 2005

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CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

8 UNITED STATES DISTRICT COURT

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WESTERN DISTRICT OF WASHINGTON

10 WILLIAM LAMBERT and DEBORAH  
11 LAMBERT,

12 Plaintiffs,  
13 vs.  
14 BENEFICIAL MORTGAGE CORPORATION,  
15 a Delaware Corporation;  
16 TRANS UNION, LLC, a Delaware Limited  
Liability Company; and  
EQUIFAX INFORMATION SERVICES, LLC,  
a Georgia Limited Liability Corporation.

17 Defendants.

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19 JURY DEMAND

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CO 5

COMPLAINT

JURISDICTION

1. Jurisdiction is proper pursuant to 15 U.S.C. §1681p, and the doctrine of supplemental jurisdiction. Venue lies in the Western District of Washington as plaintiffs' claims arose from acts of the defendants having impact therein.

PRELIMINARY STATEMENT

2. Plaintiffs William Lambert and Deborah Lambert ("plaintiffs") bring this action for violations of the Fair Credit Reporting Act, 15 USC §1681 *et seq.* (FCRA), the Washington

COMPLAINT - 1

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1 Consumer Protection Act, RCW 19.86 *et seq.* (CPA), and state common law obligations  
2 brought as supplemental claims.

3 3. Plaintiffs are residents of the State of Washington. Plaintiffs are consumers as  
4 defined by FCRA, 15 USC §1681a(c).

5 4. Defendant Beneficial Mortgage Corporation ("Beneficial") is a person that  
6 furnishes information to consumer reporting agencies under FCRA, 15 USC §1681s-2.

7 5. Defendant Trans Union, LLC ("Trans Union") is a consumer reporting agency as  
8 defined by FCRA, 15 USC §1681a(f).

9 6. Defendant Equifax Information Services, LLC ("Equifax") is a consumer reporting  
10 agency as defined by FCRA, 15 USC §1681a(f).

#### 11 FACTUAL ALLEGATIONS

12 7. In September 2002, Beneficial extended consumer purchase money credit to  
13 plaintiffs for their primary residence in Oakville, Washington. Plaintiffs executed a Promissory  
14 Note secured by a Deed of Trust dated September 19, 2002, and recorded under Grays Harbor  
15 County Auditor File No. 2002-09240003 on September 24, 2002.

16 8. Plaintiffs encountered financial difficulty and were unable to timely make all the  
17 payments due. On July 29, 2003, at the invitation of Beneficial, with assurance that debt to  
18 Beneficial would be satisfied, and in consideration of Beneficial's promise to make payment of  
19 \$2,000 to plaintiffs for their moving expenses, plaintiffs executed a Statutory Warranty Deed in  
20 Lieu of Foreclosure conveying their Oakville property to Beneficial, which deed was recorded  
21 under Grays Harbor County Auditor's File No. 2003-08120051 on August 12, 2003. Plaintiffs  
22 were also required by Beneficial to sign an Agreement for Deed and Estoppel Affidavit, which  
23 was recorded under Grays Harbor County Auditor's File No. 2003-8220079. Thereafter,  
24 Beneficial paid Plaintiffs \$2,000 and Plaintiffs vacated the property as agreed.

25  
26 COMPLAINT - 2

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1       9. In September 2003, Plaintiffs applied for a loan from another lender. Plaintiffs were  
2 denied the loan because Beneficial was reporting false, derogatory and negative credit  
3 information, including that Plaintiffs had an outstanding debt on the property.

4       10. Despite performance by Plaintiffs under the terms of the agreement to give a  
5 Statutory Warranty Deed in Lieu of Foreclosure, Beneficial continued to report that Plaintiffs  
6 were indebted, delinquent, past due, and in foreclosure. Plaintiffs learned of the false report by  
7 Beneficial on or about September 24, 2003.

8       11. Plaintiffs contacted Beneficial both by mail and by telephone, disputing the false  
9 reporting. The manager of Beneficial's Olympia office where the underlying transaction  
10 originated told Plaintiffs that notwithstanding the agreement Beneficial had with Plaintiffs, the  
11 account would continue to show open and late, and that Plaintiffs would be responsible for any  
12 deficiency.

13       12. Plaintiffs continued to dispute the information Beneficial was reporting. On or  
14 about October 2, 2003, Tom Lentz, a credit representative of Beneficial, assured plaintiffs that  
15 the credit report information would be corrected. Plaintiffs repeated their requests to Beneficial  
16 to correct the false reporting, and were again told, at least twice, in writing, that Beneficial  
17 would correct it. The false reporting was not corrected. Beneficial continued to report  
18 information to the credit reporting agencies that it knew was false.

19       13. In October 2003, plaintiffs began disputing to Trans Union and Equifax the  
20 reporting of the Beneficial account.

21       14. Equifax and Trans Union continued to report false information.

22       15. Upon information and belief, Beneficial received consumer dispute verification  
23 notices from Equifax and Trans Union.

24       16. As a result of defendants' conduct, plaintiffs have sustained actual damages,  
25 including economic loss, denial of credit, lost opportunity to receive credit, damage to  
26 reputation, invasion of privacy and emotional distress.

COMPLAINT - 3

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1           17. Plaintiffs are entitled to recover their costs and reasonable attorney fees pursuant  
2 to 15 USC §1681(n) and (o), and RCW 19.86 *et seq.*

3           18. Plaintiffs request a jury trial on all claims.

4           **STATEMENT OF CLAIMS AGAINST BENEFICIAL**

5           19. Plaintiffs reallege paragraphs 1 through 18 above.

6           20. Beneficial has willfully and/or negligently failed to comply with the FCRA,  
7 §1681s-2(b).

8           21. Beneficial has violated Washington's Consumer Protection Act by engaging in  
9 unfair or deceptive practices occurring in trade or commerce which impact the public interest  
10 and have caused injury to Plaintiffs.

11           22. Beneficial has defamed plaintiffs by publishing to third parties false information  
12 regarding plaintiffs.

13           **STATEMENT OF CLAIMS AGAINST TRANS UNION**

14           23. Plaintiffs reallege paragraphs 1 through 18 above.

15           24. Trans Union has willfully and/or negligently failed to comply with the FCRA,  
16 §1681e(b) and §1681i.

17           25. Trans Union has violated Washington's Consumer Protection Act by engaging in  
18 unfair or deceptive practices occurring in trade or commerce which impact the public interest  
19 and have caused injury to Plaintiffs.

20           **STATEMENT OF CLAIMS AGAINST EQUIFAX**

21           26. Plaintiffs reallege paragraphs 1 through 18 above.

22           27. Equifax has willfully and/or negligently failed to comply with the FCRA,  
23 §1681e(b) and §1681i.

24           28. Trans Union has violated Washington's Consumer Protection Act by engaging in  
25 unfair or deceptive practices occurring in trade or commerce which impact the public interest  
26 and have caused injury to Plaintiffs.

COMPLAINT - 4

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## PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for relief against each defendant as follows:

- a) actual damages;
- b) treble the amount of actual damages up to \$10,000;
- c) statutory damages;
- d) punitive damages;
- e) attorneys fees; and
- f) costs.

DATED this 11 day of July 2005.

OLSON, ALTHAUSER, LAWLER & SAMUELSON

James W. Lawler, WSBA #12986

✓ *Scutellaria* —

Todd S. Rayan WSBA #34090  
Attorneys for Plaintiffs

**COMPLAINT - 5**

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